



J. TYLER McCAULEY  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012-2766  
PHONE: (213) 974-8301 FAX: (213) 626-5427

July 10, 2001

To: Supervisor Michael D. Antonovich, Mayor  
Supervisor Gloria Molina  
Supervisor Yvonne Brathwaite Burke  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

From: J. Tyler McCauley  
Auditor-Controller

Subject: **Financial/Compliance Audits of 1999-2000 State Grants**

The Offices of the District Attorney, Public Defender, and Sheriff; the Department of Human Resources; the Probation Department; and the Countywide Criminal Justice Coordination Committee (CCJCC) receive grants from the State Office of Criminal Justice Planning and other State agencies. These grants require financial/compliance audits to ensure that State funding is used in accordance with applicable laws, regulations, policies and procedures.

The various departments requested that we arrange for the financial/compliance audits of the 1999-2000 State programs. A total of 43 grants (see Attachment) were included. To audit the grants, we contracted with the public accounting firm of Conrad & Associates, LLP, through our Master Agreement for As-Needed Contract Audits/Studies.

The auditors have reported their findings to the departments and copies of the reports have been sent to the appropriate State agencies. The auditors' reports identified a total of \$102,779 of questioned costs (less than one-half of one percent of the total grant expenditures), primarily the result of clerical errors, such as misclassifying a sub-grantee's costs and double claiming of an expense. The auditors also noted some minor weaknesses in internal controls; none were considered material in nature. The departments' responses to the reported findings and recommendations, which are included in the enclosed reports, indicate that the departments will take action to correct the reported problems.

Please call me at (213) 974-8301 if you have any questions, or your staff may call DeWitt Roberts at 974-0301.

JTM:JEM:BL

5-60report - Rpt Trans to Bd - Memo.doc

Attachment  
Enclosures

**Board of Supervisors**

**July 10, 2001  
Page 2 of 2**

Enclosures

c: David E. Janssen, Chief Administrative Officer  
Steven Cooley, District Attorney  
Lee Baca, Sheriff  
Michael P. Judge, Public Defender  
Michael J. Henry, Director of Personnel  
Richard Shumsky, Chief Probation Officer  
Robert Mimura, Executive Director, CCJCC  
Executive Officer, Board of Supervisors  
Public Information Office  
Audit Committee (6)

**1999-2000 State Grants**  
**List of Grants/Periods Audited**

**Countywide Criminal Justice Coordination Committee Grants:**

Anti-Drug Abuse (ADA) Grant  
Drug Court Expansion  
OCJP Grant  
No. DC97030190  
7/1/1999 - 6/30/2000

Anti-Drug Abuse (ADA) Grant  
LADEP Project  
OCJP Grant  
No. DC99010190  
7/1/1999 - 6/30/2000  
7/1/2000 - 12/31/2000

**Department of Human Resources Grant:**

Child Development Programs  
Calif. Dept of Education Grant  
Contract No. GLPC-9018  
7/1/1999 - 6/30/2000

**District Attorney Grants:**

Anti-Drug (CRAFT)  
OCJP Grant  
No. DC98B10190  
7/1/1999 - 6/30/2000

Drug Endangered Children (DEC)  
OCJP Grant  
No. DG97010190  
7/1/1999 - 06/30/2000

Anti-Drug (NEST)  
OCJP Grant  
No. DC99127250  
7/1/1999 - 6/30/2000

Gang Violence - Lancaster  
OCJP Grant  
No. GV99C20190  
7/1/1999 - 6/30/2000

Anti-Drug (COMNET)  
OCJP Grant  
No. DC98D10190  
7/1/1999 - 6/30/2000

Gang Violence - Lennox  
OCJP Grant  
No. GV99020190  
7/1/1999 - 6/30/2000

Career Criminal Prosecution  
OCJP Grant  
No. CP97080190  
7/1/1999 - 6/30/2000

Juvenile Accountability Incentive  
OCJP Grant  
No. IP98B010190  
4/1/1999 - 3/31/2000  
No. IP99B010190  
4/1/2000 - 6/30/2000

**District Attorney Grants (cont'd):**

Juvenile Offenders  
Intervention Network  
OCJP Grant  
No. JV98030190  
7/1/1999 - 9/30/2000  
No. JV98010190  
7/1/1999 - 6/30/2000

Major Narcotics Vendors  
Prosecution Program  
OCJP Grant  
No. NV99010190  
7/1/1999 - 6/30/2000

Special Emphasis Victim-Witness  
Assistance  
OCJP Grant  
No. SE97080190  
7/1/1999 - 6/30/2000

Stalking and Threat Assessment  
OCJP Grant  
No. V V9701090  
7/1/1999 - 6/30/2000

Statutory Rape Vertical  
Prosecution  
OCJP Grant  
No. SR97030190  
7/1/1999 - 6/30/2000

Victim Witness Assistance  
OCJP Grant  
No. V W97180190  
7/1/1999 - 6/30/2000

Spousal Abuser Protection  
Program (SAPP)  
Department of Justice Grant  
No. 99SA06A010  
7/1/1999 - 6/30/2000

Automobile Insurance Fraud  
Department of Insurance Grant  
Grant not numbered  
7/1/1999 - 6/30/2000

Workers' Compensation Insurance  
Fraud Program  
Department of Insurance Grant  
Grant not numbered  
7/1/1999 - 6/30/2000

**Probation Department Grants:**

Lancaster Gang Violence  
OCJP Grant  
No. GV99D20190  
7/1/1999 - 6/30/2000

Anti-Drug Abuse Enforcement  
Program (ADA/THISP)  
OCJP Grant  
No. DC98C1090  
7/1/1999 - 6/30/2000

Lennox Gang Violence  
OCJP Grant  
No. GV99A20190  
7/1/1999 - 6/30/2000

Anti-Drug (COMNET)  
OCJP Grant  
No. DC98D10190  
7/1/1999 - 6/30/2000

Repeat Offender Prevention (ROPP)  
BOC Grant  
No. 084-96  
11/2/1999 - 6/30/2000

Anti-Drug Abuse Enforcement  
Program (ADA/THISP)  
OCJP Grant  
No. DC98C10190  
7/1/2000 - 12/31/2000

Juvenile Accountability (JAIBG)  
OCJP Grant  
No. IP98A10190  
7/1/1999 - 6/30/2000

Anti-Drug Abuse Enforcement  
Program (ADA/LADEP)  
OCJP Grant  
No. DC99010190  
7/1/1999 - 6/30/2000

Anti-Drug - Drug Court Expansion  
Project (ADA)  
OCJP Grant  
No. DC97030190  
7/1/1999 - 6/30/2000

Juvenile Accountability (JAIBG)  
OCJP Grant  
No. IP98A10190  
7/1/2000 - 12/31/2000

High School Graduate/GED Program  
OCJP Grant  
No. IP99A10190  
4/1/2000 - 3/31/2001

**Public Defender Grants:**

Vertical Defense of Indigents  
Project (VDI)  
OCJP Grant  
No. VI99010190  
7/1/1999 - 6/30/2000

Client Assessment Recommendation  
Evaluation Project (CARE)  
OCJP Grant  
No. IP98C10190  
4/1/1999 - 6/30/2000

**Sheriff Grants:**

Lennox Gang Violence  
Suppression Program  
OCJP Grant  
No. GV99B10190  
7/1/1999 - 6/30/2000

Lancaster Gang Violence  
Suppression Program  
OCJP Grant  
No. GV99E20190  
7/1/1999 - 6/30/2000

L. A. County Sheriff's Department  
Mentoring Program  
OCJP Grant  
No. ME96010190  
7/1/1999 - 6/30/2000

L.A. County Drug Court Expansion  
OCJP Grant  
No. DC97030190  
7/1/1999 - 6/30/2000

Region II Community Based  
Policing Program  
OCJP Grant  
No. CR99020190  
7/1/1999 - 6/30/2000

Community Oriented Multi-Agency  
Narcotics Enforcement (COMNET)  
OCJP Grant  
No. DC98D10190  
7/1/1999 - 6/30/2000

Juvenile/Parent Assistance  
& Accountability Program  
OCJP Grant  
No. IC98010190  
7/1/1999 - 6/30/2000

**COUNTY OF LOS ANGELES  
COUNTYWIDE CRIMINAL  
JUSTICE COORDINATION COMMITTEE**

500 W. Temple Street, Room 520  
Los Angeles, California 90012

Report on Audit of OCJP Grants

For the Period  
July 1, 1999 through June 30, 2000

**CONRAD AND ASSOCIATES, L.L.P.**

Certified Public Accountants  
1100 Main Street, Suite C  
Irvine, California 92614

**COUNTY OF LOS ANGELES  
COUNTYWIDE CRIMINAL JUSTICE COORDINATION COMMITTEE**

Report on Audit of OCJP Grants

For the Period  
July 1, 1999 through June 30, 2000

**TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditor's Report	1
Program Statements:	
• Status of Cash	3
• Statement of Approved Budget and Costs Claimed	4
• Statement of Costs Claimed and Accepted	5
• Notes to OCJP Program Statements	6
Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of OCJP Program Statements Performed in Accordance with <i>Government Auditing Standards</i>	10
Compliance Finding	12
Status of Prior Audit Findings	14
Exit Conference	15



Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
525 Kenneth Hahn Hall of Administration  
500 W. Temple Street  
Los Angeles, California 90012-2766

### INDEPENDENT AUDITOR'S REPORT

We have audited the Office of Criminal Justice Planning (OCJP) program statements identified in the table of contents of the County of Los Angeles, Countywide Criminal Justice Coordination Committee for the grant and period as noted below.

<u>Grant Number</u>	<u>Grant Period</u>	<u>Audit Period</u>
DC97030190	07/01/97 - 06/30/00	07/01/99 - 06/30/00
DC99010190	07/01/99 - 12/31/00	07/01/99 - 06/30/00

The amounts included in the OCJP program statements are the responsibility of the County of Los Angeles, Countywide Criminal Justice Coordination Committee's management. Our responsibility is to express an opinion on these statements.

We conducted our audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; the *OCJP Grants Audit Program*; and with certain provisions of the *OCJP Grantee Handbook*. Those standards and the *OCJP Grants Audit Program* and *OCJP Grantee Handbook* require that we plan and perform the audit to obtain reasonable assurance about whether the OCJP program statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts presented in the OCJP program statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the OCJP program statements. We believe that our audit provides a reasonable basis for our opinion.

Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
Page Two

As more fully described in Note 2 to the OCJP program statements, the County of Los Angeles, Countywide Criminal Justice Coordination Committee prepares Form OCJP-201 in accordance with OCJP requirements. The accounting practices used to prepare Form OCJP-201 may differ in some respects from generally accepted accounting principles. Accordingly, the accompanying OCJP program statements, which are based in part on Form OCJP-201, are not intended to present the financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the OCJP program statements referred to in the first paragraph present fairly, in all material respects, the status of cash, the approved budget and costs claimed and the allowable costs for the grant and period audited, in conformity with the basis described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 1, 2000 on our consideration of the County of Los Angeles, Countywide Criminal Justice Coordination Committee's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the State of California, Office of Criminal Justice Planning and the County of Los Angeles, Countywide Criminal Justice Coordination Committee's management and is not intended to be and should not be used by anyone other than those specified parties.

*Lowndes And Associates, L.L.P.*

December 1, 2000

**COUNTY OF LOS ANGELES  
COUNTYWIDE CRIMINAL JUSTICE COORDINATION COMMITTEE**

Status of Cash

For the Period  
July 1, 1999 through June 30, 2000

<b>Grants No. DC97030190 July 1, 1999 through June 30, 2000</b>	
Grants cash received	\$313,854
Grants expenditures	313,854
<b>Cash on hand at end of grant period</b>	<b>\$ -</b>

<b>Grants No. DC99010190 July 1, 1999 through June 30, 2000</b>	
Grants cash received	\$330,705
Grants expenditures	330,705
<b>Cash on hand at end of grant period</b>	<b>\$ -</b>

See accompanying *Notes to OCJP Program Statements*.

**COUNTY OF LOS ANGELES  
COUNTYWIDE CRIMINAL JUSTICE COORDINATION COMMITTEE**

Statement of Approved Budget and Costs Claimed

For the Period  
July 1, 1999 through June 30, 2000

<b>Grants No. DC97030190 July 1, 1999 through June 30, 2000</b>			
	<b>Approved Budget</b>	<b>Costs Claimed</b>	<b>Variance</b>
Personal services	\$ 379,485	64,138	315,347
Operating expenses	459,659	244,100	215,559
Equipment	8,880	5,616	3,264
<b>Totals</b>	<b>\$ 848,024</b>	<b>313,854</b>	<b>534,170</b>

<b>Grants No. DC99010190 July 1, 1999 through June 30, 2000</b>			
	<b>Approved Budget</b>	<b>Costs Claimed</b>	<b>Variance</b>
Personal services	\$ 46,228	44,700	1,528
Operating expenses	351,534	286,005	65,529
Equipment	-	-	-
<b>Totals</b>	<b>\$ 397,762</b>	<b>330,705</b>	<b>67,057</b>

See accompanying *Notes to OCJP Program Statements*.

**COUNTY OF LOS ANGELES  
COUNTYWIDE CRIMINAL JUSTICE COORDINATION COMMITTEE**

Statement of Costs Claimed and Accepted

For the Period  
July 1, 1999 through June 30, 2000

<b>Grants No. DC97030190 July 1, 1999 through June 30, 2000</b>					
	<b>Costs Claimed</b>	<b>Per Audit</b>			
		<b>Costs Accepted</b>	<b>Questioned Costs</b>	<b>Costs Recommended for Disallowance</b>	<b>Note</b>
Personal services	\$ 64,138	64,138	-	-	
Operating expenses	244,100	244,100	-	-	
Equipment	5,616	5,616	-	-	
<b>Totals</b>	<b>\$313,854</b>	<b>313,854</b>	<b>-</b>	<b>-</b>	

<b>Grants No. DC99010190 July 1, 1999 through June 30, 2000</b>					
	<b>Costs Claimed</b>	<b>Per Audit</b>			
		<b>Costs Accepted</b>	<b>Questioned Costs</b>	<b>Costs Recommended for Disallowance</b>	<b>Note</b>
Personal services	\$ 44,700	44,700	-	-	
Operating expenses	286,005	286,005	-	-	
Equipment	-	-	-	-	
<b>Totals</b>	<b>\$330,705</b>	<b>330,705</b>	<b>-</b>	<b>-</b>	

See accompanying *Notes to OCJP Program Statements*.

**COUNTY OF LOS ANGELES  
COUNTYWIDE CRIMINAL JUSTICE COORDINATION COMMITTEE**

Notes to OCJP Program Statements

For the Period  
July 1, 1999 through June 30, 2000

**Note 1: Background**

OCJP awarded grants to the County of Los Angeles, Countywide Criminal Justice Coordination Committee (CCJCC) for the following program objectives:

- Los Angeles County Drug Court Expansion Project (DC97030190)

The Los Angeles County Drug Court Program was established to channel non-violent drug offenders into comprehensive programs for judicially supervised treatment and rehabilitation. The program was developed to reduce the long-term impact of repeat drug offenders on the criminal justice system by breaking the cycle of drugs and crime through meaningful treatment intervention and effective case management. The drug courts structured treatment intervention around the authority and personal involvement of a single drug court judge and is dependent upon the creation of a non-adversarial courtroom atmosphere where the judge and a dedicated team of court officers, staff and treatment counselors work together to help the offender off drugs and become committed to a drug-free lifestyle.

Los Angeles Drug-Testing Enforcement Project – (LADEP) (DC99010190)

The LADEP program provided funding support to local courts for the purpose of enforcing the urinalysis-testing component of qualified drug treatment programs. To qualify for assistance, the court must have in place a comprehensive program of judicially supervised drug treatment, which meets minimum countywide standards for frequent, verifiable urinalysis testing of all participants. Developed under the auspices of the Countywide Criminal Justice Coordination Committee (CCJCC) , these standards specify basic requirements for eligibility, defendant supervision, urinalysis testing frequency, scope of treatment services, operational procedures, administrative reporting, and program evaluation. A grant modification was completed which extended the grant period through December 31, 2000.

**Note 2: Summary of Significant Accounting Policies**

The OCJP program statements have been prepared from the original grant budget and subsequent modifications, if any, approved by OCJP, the Report of Expenditures and Request for Funds (Form OCJP-201), and the County of Los Angeles, Countywide Criminal Justice Coordination Committee's financial records.

**COUNTY OF LOS ANGELES  
COUNTYWIDE CRIMINAL JUSTICE COORDINATION COMMITTEE**

Notes to OCJP Program Statements

(Continued)

**Note 2: Summary of Significant Accounting Policies, (Continued)**

Form OCJP-201 was prepared by County of Los Angeles, Countywide Criminal Justice Coordination Committee personnel in accordance with OCJP requirements. The basis of accounting used in preparing Form OCJP-201 differs from generally accepted accounting principles for the following items:

- Equipment. Equipment purchased with grant funds is expensed at cost. Generally accepted accounting principles require the equipment to be capitalized and depreciated over its useful life.
- Audit Costs. Estimated audit costs related to OCJP grants can be claimed on the final Form-201 for an audit which will not be completed prior to submission of the final Form OCJP-201. Generally accepted accounting principles define an accrued expense as an accounting recognition of unpaid expenses that come into existence as the result of past contractual commitments, past services received, or by operation of a tax law.

Accordingly, the accompanying program statements are not intended to present the financial position and results of operations in conformity with generally accepted accounting principles.

**Note 3: Definitions**

Questioned costs are costs that require additional support from the Grantee or require an allowability determination by OCJP. Costs recommended for disallowance are costs where we have obtained documentary evidence beyond a reasonable doubt that the Grantee is in violation of legislative or regulatory requirements, or specific conditions of pertinent grant.

**COUNTY OF LOS ANGELES  
COUNTYWIDE CRIMINAL JUSTICE COORDINATION COMMITTEE**

Notes to OCJP Program Statements

(Continued)

**Note 4: Los Angeles County Drug Court Expansion Project, (DC97030190)**

For this program, the County of Los Angeles Countywide Criminal Justice Coordination Committee (CCJCC) was the lead agency among three cooperating agencies, including the County Sheriff's Department and Probation Department as well as nine municipal courts within Los Angeles County. Each respective agency maintained its own accounting records and submitted their quarterly claims to the CCJCC for reimbursement from OCJP. Claimed costs from each agency were as follows:

Agency	Cost Category			Total
	Personal Services	Operating Expenses	Equipment	
CCJCC	\$ -	\$127,739	\$ -	\$127,739
Sheriff	25,977	-	-	25,977
Probation	31,450	-	-	31,450
Van Nuys Municipal Court	-	28,478	1,507	29,985
Santa Monica Municipal Court	-	17,050	-	17,050
East L.A. Drug Court	-	10,363	4,109	14,472
Los Angeles Municipal Court	-	18,911	-	18,911
Inglewood Municipal Court	6,711	6,028	-	12,739
Southeast Municipal Court	-	27,381	-	27,381
Compton Municipal Court	-	8,150	-	8,150
<b>Total</b>	<b>\$64,138</b>	<b>\$244,100</b>	<b>\$5,616</b>	<b>\$313,854</b>



**COUNTY OF LOS ANGELES  
COUNTYWIDE CRIMINAL JUSTICE COORDINATION COMMITTEE**

Notes to OCJP Program Statements

(Continued)

**Note 5: Los Angeles Drug-Testing Enforcement Project (DC99010190)**

For this program, the County of Los Angeles Countywide Criminal Justice Coordination Committee (CCJCC) was the lead agency between two cooperating agencies, including the Probation Department as well as nine municipal courts within Los Angeles County. Each respective agency maintained its own accounting records and submitted their quarterly claims to the CCJCC for reimbursement from OCJP. Claimed costs from each agency were as follows:

Agency	Cost Category		Total
	Personal Services	Operating Expenses	
CCJCC	\$ -	\$ 10,011	\$ 10,011
Probation	44,700	-	44,700
Pasadena Municipal Court	-	14,286	14,286
Rio Hondo Municipal Court	-	40,565	40,565
Van Nuys Municipal Court	-	35,429	35,429
Santa Monica Municipal Court	-	29,714	29,714
Los Angeles Municipal Court	-	85,714	85,714
Inglewood Municipal Court	-	25,714	25,714
Southeast Municipal Court	-	17,143	17,143
Compton Municipal Court	-	27,429	27,429
<b>Total</b>	<b>\$44,700</b>	<b>\$286,005</b>	<b>\$330,705</b>

Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
525 Kenneth Hahn Hall of Administration  
500 W. Temple Street  
Los Angeles, California 90012-2766

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF OCJP PROGRAM  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS**

We have audited the OCJP program statements of the County of Los Angeles, Countywide Criminal Justice Coordination Committee for the grant and period noted below, and have issued our report thereon dated December 1, 2000.

<u>Grants Number</u>	<u>Grant Period</u>	<u>Audit Period</u>
DC97030190	07/01/97 - 06/30/00	07/01/99 - 06/30/00
DC99010190	07/01/99 - 12/31/00	07/01/99 - 06/30/00

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the *OCJP Grants Audit Program*; and with certain provisions of the *OCJP Grantee Handbook*.

Compliance

As part of obtaining reasonable assurance about whether the County of Los Angeles, Countywide Criminal Justice Coordination Committee's OCJP program statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of OCJP program statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
Page Two

However, the results of our tests disclosed an immaterial instance of noncompliance with the above requirements referred to above, which is described in the Compliance Finding section of this report.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Los Angeles, Countywide Criminal Justice Coordination Committee's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the OCJP program statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the OCJP program statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the State of California, Office of Criminal Justice Planning and the County of Los Angeles, Countywide Criminal Justice Coordination Committee's management and is not intended to be and should not be used by anyone other than those specified parties.

*Conrad Aud Associates, L.L.P.*

December 1, 2000

**COUNTY OF LOS ANGELES  
COUNTYWIDE CRIMINAL JUSTICE COORDINATION COMMITTEE**

Report on Audit of OCJP Grants

For the Period  
July 1, 1999 through June 30, 2000

COMPLIANCE FINDING

**Untimely Submission of Progress Reports**

The Grantee did not submit the following Progress Reports in a timely manner:

<b>Grant Name</b>	<b>Grant Number</b>	<b>Reporting Period</b>	<b>Days Late</b>
Los Angeles County Drug Court Expansion Project	DC97030190	07/01/99 – 12/31/99	96
Los Angeles County Drug Court Expansion Project	DC97030190	01/01/00 – 06/30/00	A
Los Angeles County Drug-Testing Enforcement Project	DC99010190	07/01/99 – 09/30/99	A
Los Angeles County Drug-Testing Enforcement Project	DC99010190	07/01/99 – 12/31/99	A
Los Angeles County Drug-Testing Enforcement Project	DC99010190	01/01/00 – 06/30/00	A

A – Report was not filed by the Grantee

*OCJP Grantee Handbook*, Section 10120, states in part:

“Unless otherwise specified in the Program Guidelines or RFP, OCJP requires one status report and two progress reports for the grant period. The status report covers the first three months of the grant’s operation... All projects are required to submit an original and one copy of the status/progress report to OCJP’s Grants Control Unit. These are due 30 calendar days after the end of the reporting period...”

**Recommendation**

We recommend that the Grantee establish procedures to ensure that all progress reports are filed in a timely manner as required by OCJP guidelines.

**COUNTY OF LOS ANGELES  
COUNTYWIDE CRIMINAL JUSTICE COORDINATION COMMITTEE**

Report on Audit of OCJP Grants

For the Period  
July 1, 1999 through June 30, 2000

COMPLIANCE FINDING, (Continued)

Grantee's Response

We concur. The reports were not submitted in a timely manner due to staffing shortages. Specifically, two of our five employees were absent on lengthy medical leaves.

These employees recently returned to work and the required progress reports will be completed. Also, controls that were previously implemented remain in place to ensure that status/progress reports are submitted timely to OCJP's Grants Control Unit. A tickler file is also used as a reminder to begin the gathering of supporting documentation and preparation of the reports early to ensure that they are sent to the Grants Control Unit on time.

Auditor Comment

We concur with the response provided by CCJCC.

**COUNTY OF LOS ANGELES  
COUNTYWIDE CRIMINAL JUSTICE COORDINATION COMMITTEE**

Report on Audit of OCJP Grants

For the Period  
July 1, 1999 through June 30, 2000

**STATUS OF PRIOR AUDIT FINDINGS**

The Grantee was previously audited by Conrad and Associates, L.L.P. There was one finding in the prior audit report related to the OCJP grant program. The status of the prior audit findings are noted below.

Finding

Form OCJP-201's were not submitted in a timely manner by the Grantee.

Status

No similar type findings were identified in the current audit period.

**COUNTY OF LOS ANGELES  
COUNTYWIDE CRIMINAL JUSTICE COORDINATION COMMITTEE**

Report on Audit of OCJP Grants

For the Period  
July 1, 1999 through June 30, 2000

**EXIT CONFERENCE**

The audit results and the audit report process were discussed with the representative of the County of Los Angeles, Countywide Criminal Justice Coordination Committee noted below on December 1, 2000. It was explained to those in attendance that the results were subject to a final review prior to release of the draft report. Any changes made based upon this review would be incorporated into the draft report.

County of Los Angeles, Countywide Criminal Justice Coordination Committee

Pat Zabaro

Senior Analyst

Conrad and Associates, L.L.P.

Tim Ferguson

Staff Accountant

**COUNTY OF LOS ANGELES  
COUNTYWIDE CRIMINAL  
JUSTICE COORDINATION COMMITTEE**

500 W. Temple Street, Room 520  
Los Angeles, California 90012

Report on Audit of OCJP Grants

For the Period  
July 1, 2000 through December 31, 2000

**CONRAD AND ASSOCIATES, L.L.P.**

Certified Public Accountants  
1100 Main Street, Suite C  
Irvine, California 92614



**COUNTY OF LOS ANGELES  
COUNTYWIDE CRIMINAL JUSTICE COORDINATION COMMITTEE**

Report on Audit of OCJP Grants

For the Period  
July 1, 2000 through December 31, 2000

**TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditor's Report	1
Program Statements:	
• Status of Cash	3
• Statement of Approved Budget and Costs Claimed	4
• Statement of Costs Claimed and Accepted	5
• Notes to OCJP Program Statements	6
Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of OCJP Program Statements Performed in Accordance with <i>Government Auditing Standards</i>	9
Compliance Findings	11
Status of Prior Audit Findings	13
Exit Conference	14

Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
525 Kenneth Hahn Hall of Administration  
500 W. Temple Street  
Los Angeles, California 90012-2766

### INDEPENDENT AUDITOR'S REPORT

We have audited the Office of Criminal Justice Planning (OCJP) program statements identified in the table of contents of the County of Los Angeles, Countywide Criminal Justice Coordination Committee for the grant and period as noted below.

<u>Grant Number</u>	<u>Grant Period</u>	<u>Audit Period</u>
DC99010190	07/01/99 - 12/31/00	07/01/00 - 12/31/00

The amounts included in the OCJP program statements are the responsibility of the County of Los Angeles, Countywide Criminal Justice Coordination Committee's management. Our responsibility is to express an opinion on these statements.

We conducted our audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; the *OCJP Grants Audit Program*; and with certain provisions of the *OCJP Grantee Handbook*. Those standards and the *OCJP Grants Audit Program* and *OCJP Grantee Handbook* require that we plan and perform the audit to obtain reasonable assurance about whether the OCJP program statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts presented in the OCJP program statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the OCJP program statements. We believe that our audit provides a reasonable basis for our opinion.

Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
Page Two

As more fully described in Note 2 to the OCJP program statements, the County of Los Angeles, Countywide Criminal Justice Coordination Committee prepares Form OCJP-201 in accordance with OCJP requirements. The accounting practices used to prepare Form OCJP-201 may differ in some respects from generally accepted accounting principles. Accordingly, the accompanying OCJP program statements, which are based in part on Form OCJP-201, are not intended to present the financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the OCJP program statements referred to in the first paragraph present fairly, in all material respects, the status of cash, the approved budget and costs claimed and the allowable costs for the grant and period audited, in conformity with the basis described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 18, 2001 on our consideration of the County of Los Angeles, Countywide Criminal Justice Coordination Committee's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the State of California, Office of Criminal Justice Planning and the County of Los Angeles, Countywide Criminal Justice Coordination Committee's management and is not intended to be and should not be used by anyone other than those specified parties.

*Lowndes And Associates, L.L.P.*

April 18, 2001

**COUNTY OF LOS ANGELES  
COUNTYWIDE CRIMINAL JUSTICE COORDINATION COMMITTEE**

Status of Cash

For the Period  
July 1, 2000 through December 31, 2000

<b>Grants No. DC99010190 July 1, 2000 through December 31, 2000</b>	
Grants cash received	\$ 46,035
Grants expenditures	64,840
<b>Cash on hand at end of grant period</b>	<b>\$(18,805)</b>

See accompanying *Notes to OCJP Program Statements*.

**COUNTY OF LOS ANGELES  
COUNTYWIDE CRIMINAL JUSTICE COORDINATION COMMITTEE**

Statement of Approved Budget and Costs Claimed

For the Period  
July 1, 2000 through December 31, 2000

<b>Grants No. DC99010190 July 1, 2000 through December 31, 2000</b>			
	<b>Approved Budget</b>	<b>Costs Claimed</b>	<b>Variance</b>
Personal services	\$ 46,228	1,528	44,700
Operating expenses	351,534	63,312	288,222
Equipment	-	-	-
<b>Totals</b>	<b>\$ 397,762</b>	<b>64,840</b>	<b>332,922</b>

See accompanying *Notes to OCJP Program Statements*.

**COUNTY OF LOS ANGELES  
COUNTYWIDE CRIMINAL JUSTICE COORDINATION COMMITTEE**

Statement of Costs Claimed and Accepted

For the Period  
July 1, 2000 through December 31, 2000

<b>Grants No. DC99010190 July 1, 2000 through December 31, 2000</b>					
	<b>Costs Claimed</b>	<b>Per Audit</b>			
		<b>Costs Accepted</b>	<b>Questioned Costs</b>	<b>Costs Recommended for Disallowance</b>	<b>Note</b>
Personal services	\$ 1,528	1,528	-	-	
Operating expenses	63,312	63,312	-	-	
<b>Totals</b>	<b>\$64,840</b>	<b>64,840</b>	-	-	

See accompanying *Notes to OCJP Program Statements*.

**COUNTY OF LOS ANGELES  
COUNTYWIDE CRIMINAL JUSTICE COORDINATION COMMITTEE**

Notes to OCJP Program Statements

For the Period  
July 1, 2000 through December 31, 2000

**Note 1: Background**

OCJP awarded grants to the County of Los Angeles, Countywide Criminal Justice Coordination Committee (CCJCC) for the following program objectives:

Los Angeles Drug-Testing Enforcement Project – (LADEP) (DC99010190)

The LADEP program provided funding support to local courts for the purpose of enforcing the urinalysis-testing component of qualified drug treatment programs. To qualify for assistance, the court must have in place a comprehensive program of judicially supervised drug treatment, which meets minimum countywide standards for frequent, verifiable urinalysis testing of all participants. Developed under the auspices of the Countywide Criminal Justice Coordination Committee (CCJCC) , these standards specify basic requirements for eligibility, defendant supervision, urinalysis testing frequency, scope of treatment services, operational procedures, administrative reporting, and program evaluation.

**Note 2: Summary of Significant Accounting Policies**

The OCJP program statements have been prepared from the original grant budget and subsequent modifications, if any, approved by OCJP, the Report of Expenditures and Request for Funds (Form OCJP-201), and the County of Los Angeles, Countywide Criminal Justice Coordination Committee's financial records.

Form OCJP-201 was prepared by County of Los Angeles, Countywide Criminal Justice Coordination Committee personnel in accordance with OCJP requirements. The basis of accounting used in preparing Form OCJP-201 differs from generally accepted accounting principles for the following items:

- Equipment. Equipment purchased with grant funds is expensed at cost. Generally accepted accounting principles require the equipment to be capitalized and depreciated over its useful life.
- Audit Costs. Estimated audit costs related to OCJP grants can be claimed on the final Form-201 for an audit which will not be completed prior to submission of the final Form OCJP-201. Generally accepted accounting principles define an accrued expense as an accounting recognition of unpaid expenses that come into existence as the result of past contractual commitments, past services received, or by operation of a tax law.

**COUNTY OF LOS ANGELES  
COUNTYWIDE CRIMINAL JUSTICE COORDINATION COMMITTEE**

Notes to OCJP Program Statements

(Continued)

**Note 2: Summary of Significant Accounting Policies, (Continued)**

Accordingly, the accompanying program statements are not intended to present the financial position and results of operations in conformity with generally accepted accounting principles.

**Note 3: Definitions**

Questioned costs are costs that require additional support from the Grantee or require an allowability determination by OCJP. Costs recommended for disallowance are costs where we have obtained documentary evidence beyond a reasonable doubt that the Grantee is in violation of legislative or regulatory requirements, or specific conditions of pertinent grant.

**Note 4: Los Angeles Drug-Testing Enforcement Project (DC99010190)**

For this program, the County of Los Angeles Countywide Criminal Justice Coordination Committee (CCJCC) was the lead agency between two cooperating agencies, including the Probation Department as well as various municipal courts within Los Angeles County. Each respective agency maintained its own accounting records and submitted their quarterly claims to the CCJCC for reimbursement from OCJP. Claimed costs from each agency were as follows:

Agency	Cost Category		Total
	Personal Services	Operating Expenses	
CCJCC	\$ -	\$ 39,321	\$ 39,321
Probation	1,528	-	1,528
East L.A. Drug Court	-	19,420	19,420
Pomona Municipal Court	-	4,571	4,571
<b>Total</b>	<b>\$ 1,528</b>	<b>\$ 63,312</b>	<b>\$ 64,840</b>



Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
525 Kenneth Hahn Hall of Administration  
500 W. Temple Street  
Los Angeles, California 90012-2766

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF OCJP PROGRAM  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS**

We have audited the OCJP program statements of the County of Los Angeles, Countywide Criminal Justice Coordination Committee for the grant and period noted below, and have issued our report thereon dated April 18, 2001.

<u>Grants Number</u>	<u>Grant Period</u>	<u>Audit Period</u>
DC99010190	07/01/99 - 12/31/00	07/01/00 - 12/31/00

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the *OCJP Grants Audit Program*; and with certain provisions of the *OCJP Grantee Handbook*.

Compliance

As part of obtaining reasonable assurance about whether the County of Los Angeles, Countywide Criminal Justice Coordination Committee's OCJP program statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of OCJP program statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
Page Two

However, the results of our tests disclosed an immaterial instance of noncompliance with the above requirements referred to above, which is described in the Compliance Finding section of this report.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Los Angeles, Countywide Criminal Justice Coordination Committee's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the OCJP program statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the OCJP program statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the State of California, Office of Criminal Justice Planning and the County of Los Angeles, Countywide Criminal Justice Coordination Committee's management and is not intended to be and should not be used by anyone other than those specified parties.

*Ernst and Associates, L.L.P.*

April 18, 2001

**COUNTY OF LOS ANGELES  
COUNTYWIDE CRIMINAL JUSTICE COORDINATION COMMITTEE**

Report on Audit of OCJP Grants

For the Period  
July 1, 2000 through December 31, 2000

COMPLIANCE FINDINGS

**Untimely Submission of Progress Reports**

The Grantee did not submit the following Progress Report in a timely manner:

Los Angeles County Drug-Testing Enforcement Project	DC99010190	07/01/00 – 12/31/00	56
--	------------	---------------------	----

*OCJP Grantee Handbook*, Section 10120, states in part:

“Unless otherwise specified in the Program Guidelines or RFP, OCJP requires one status report and two progress reports for the grant period. The status report covers the first three months of the grant’s operation... All projects are required to submit an original and one copy of the status/progress report to OCJP’s Grants Control Unit. These are due 30 calendar days after the end of the reporting period...”

**Recommendation**

We recommend that the Grantee establish procedures to ensure that all progress reports are filed in a timely manner as required by OCJP guidelines.

**Grantee’s Response**

We concur with this finding. During this time period the staff member responsible for completing financial reports was on extended medical leave and another analyst assumed responsibility for financial reporting. Corrective measures have been taken to correct this problem. Due dates for progress reports are now calendared to ensure that the reports are submitted timely.

**Auditor Comment**

We concur with the corrective action plan implemented by CCJCC.

**COUNTY OF LOS ANGELES  
COUNTYWIDE CRIMINAL JUSTICE COORDINATION COMMITTEE**

Report on Audit of OCJP Grants

For the Period  
July 1, 2000 through December 31, 2000

**Untimely Submission of Form OCJP-201's**

The following Form OCJP-201 was not submitted in a timely manner by the Grantee:

<u>Form OCJP-201's Request No.</u>	<u>Report Period</u>	<u>Days Late</u>
5	7/1/99 – 12/31/00	15

*OCJP Grantee Handbook*, Section 6312, states in part:

“With the exception of advance and final payment requests, projects must submit an OCJP-201 (Appendix D) to the Grants Payment Unit within 30 calendar days of the end of the report period, whether or not funds are requested. ...”

**Recommendation**

We recommend that the Grantee implement controls to ensure that Form OCJP-201 is filed in a timely manner.

**Grantee's Response**

We concur with this finding. During this time period the staff member responsible for completing financial reports was on extended medical leave and another analyst assumed responsibility for financial reporting. Corrective measures have been taken to correct this problem. Due dates for OCJP-201 forms are now calendared to ensure that the reports are submitted timely.

**Auditor Comment**

We concur with the corrective action plan implemented by CCJCC.

**COUNTY OF LOS ANGELES  
COUNTYWIDE CRIMINAL JUSTICE COORDINATION COMMITTEE**

**Report on Audit of OCJP Grants**

For the Period  
July 1, 2000 through December 31, 2000

**STATUS OF PRIOR AUDIT FINDINGS**

The Grantee was previously audited by Conrad and Associates, L.L.P. There was one finding in the prior audit report related to the OCJP grant program. The status of the prior audit finding is noted below.

**Finding**

Progress reports were not submitted in a timely manner by the Grantee.

**Status**

A similar type finding was identified in the current audit period.

**COUNTY OF LOS ANGELES  
COUNTYWIDE CRIMINAL JUSTICE COORDINATION COMMITTEE**

Report on Audit of OCJP Grants

For the Period  
July 1, 2000 through December 31, 2000

**EXIT CONFERENCE**

The audit results and the audit report process were discussed with the representative of the County of Los Angeles, Countywide Criminal Justice Coordination Committee noted below on April 18, 2001. It was explained to those in attendance that the results were subject to a final review prior to release of the draft report. Any changes made based upon this review would be incorporated into the draft report.

County of Los Angeles, Countywide Criminal Justice Coordination Committee

Pat Zabaro

Senior Analyst

Conrad and Associates, L.L.P.

Joe Chen

Staff Accountant